carrier is generally conceded. Similar provisions in leases exempting a railroad company from liability for fire caused by its own negligence have been held valid in *Stephens* v. *Southern Pac. Co.,* 109 Cal. 86, 41 Pac. 783; *Griswold* v. *Ill. Cent. R. Co.,* 90 Iowa 265, 57 N. W. 843; *Mann* v. *Pere Marquette R. Co.,* 135 Mich. 210, 97 N. W. 721; *Am. Cent. Ins. Co.* v. *Chicago etc. R. Co.,* 74 Mo. App. 89; *Hartford Fire Ins. Co.* v. *Chicago, Milwaukee & St. Paul R. Co.,* 175 U. S. 91, 20 Sup. Ct. 33; *Kansas City R. Co.* v. *Blaker,* 68 Kan. 244, 75 Pac. 71. It has been held that a covenant in a lease of a portion of a railroad right of way exempting the railroad company from liability for fires caused by the railroad company's locomotive is a covenant running with the land and as such protects the assignee of the original lessor. *Northern Pac. R. Co.* v. *McClure,* 9 N. D. 73, 81 N. W. 52. Applying the same principle it has been held that such a covenant binds the assignee of the lessee. *Kennedy* v. *Iowa State Ins. Co.,* 119 Iowa 29, 91 N. W. 831. Likewise such covenant is binding on the insurer who has become subrogated to the right of the lessee. *Savannah F. & M. Ins. Co.* v. *Pelzer Mfg. Co.,* 60 Fed. 39. On the other hand, it has been held that a sub-tenant of the lessee, although chargeable with knowledge of the terms of the lease, is not bound to the lessor by covenants contained in the lease between lessor and lessee where he has not so contracted, and that he may recover against the lessor. *Mo. etc. R. Co.* v. *Keahy,* 37 Tex. Civ. App. 330, 83 S. W. 1102. One who is not in privity with the lessee and who has no knowledge of stipulations relieving the railroad company from liability may recover for property stored in such warehouse. *Texas etc. R. Co.* v. *Watson,* 190 U. S. 287. Nor is a railroad company exempt from liability to a third person who stores goods in a warehouse of a lessee whose lease contains stipulations exempting the railroad company from liability for damage caused by fires, even though such third person has notice of the provisions of the lease. *McAdams* v. *Mo. etc. R. Co.,* 19 Tex. App. 82, 45 S. W. 936. Where a railroad company negligently sets fire to a building situated on its right of way, which it has leased with a proviso that no liability shall attach for loss by fire of property on the rented premises, it was held liable for loss of other property not located on the right of way to which the fire was communicated. *Kansas City etc. R. Co.* v. *Blaker,* 68 Kan. 144, 75 Pac. 71.

CORPORATIONS—NOTICE OF DIRECTORS' MEETINGS.—There were five directors of the corporation and under the charter a majority of the board constituted a quorum. At a meeting attended by three directors, who were the only beneficial stockholders, action was taken by unanimous vote, raising the salaries of the officers of the corporation. This suit was brought by the trustee in bankruptcy of the corporation to recover the portion of the salaries of the officers drawn because of this action. The corporation was solvent at the time the action was taken and there was no fraud. *Held,* that where all the real stockholders and a majority of the directors of a corporation agree to a particular appropriation of the funds of the corporation, and that appropriation leaves the corporation still solvent, no one can complain. *Watts* v. *Gordon, et al.* (Tenn. 1913) 153 S. W. 483.

There has been some controversy and doubt as to the necessity of giving notice of directors' meetings. The decisions are quite uniform, however, in holding that as to all special meetings notice must be given to each director. 2 THOMP., CORP., Ed. 2, § 1131; 3 COOK, CORP., Ed. 6, § 713a. Contra. *Edgerly* v. *Emerson*, 23 N. H. 555, 55 Am. Dec. 207; *Banks* v. *Flour Co.*, 41 Ohio St. 558; *State* v. *Smith*, 48 Vt. 266; *Amer. Exchange Bank of N. Y.* v. *First Nat. Bank of Spokane Falls*, 82 Fed. 961, 27 C. C. A. 274. The great weight of American authority in that notice of a special meeting must be given to every director, unless there is some express provision in the charter or by-laws or established usage to the contrary or unless it is impossible or impracticable to do so. 3 CLARK & MARSHALL, CORP., § 680; 10 CYC. 784. The law is inclined to tolerate more freedom in the notice and the calling of directors meetings, inasmuch as the meetings are more frequent, the absentees more common, the acts less fundamental, and ratification by acting on the contracts more certain and easy. 2 THOMP., CORP., Ed. 2, § 1131; 3 COOK, CORP., Ed. 6, § 713a. The principal case has the direct support of the decision in *Steiwell* v. *Webb Press Co.*, (1906) 79 Ark. 45, 94 S. W. 915, 116 Am. St. Rep. 62. There the facts were similar to those in the principal case except that the action taken by the board of directors authorized the execution of promissory notes and a deed of trust to a party unconnected with the corporation. There the directors who participated in the meeting were the only real shareholders, and the director not notified was a shareholder and director in name only. The court said, "The rule requiring that all the directors should have an opportunity to participate in the transactions of the corporation, being for the benefit of the shareholders, there was no one else to complain, as Walker (the director who received no notice) had no real interest to protect."

CORPORATIONS—RIGHTS OF COMMON AND PREFERRED STOCKHOLDERS.—The certificate of incorporation as permitted by the law of New Jersey provided that the preferred stock should "receive interest or dividends of 8% per annum and be preferred as to capital as well as to dividends." The preferred stock had received this dividend each year. No provision was made in regard to sharing in the surplus profits. This suit was brought by a holder of preferred stock to obtain a share of a stock dividend. *Held*, (WARD, C. J., dissenting) the preferred stockholders were entitled to receive a dividend of 8% per annum and nothing more. *Niles* v. *Ludlow Valve Mfg. Co.* (C. C. A., 2nd. Circ., 1913) 202 Fed. 141.

It would seem that unless the contract expressly provides otherwise, preferred stockholders should participate in the surplus profits remaining after the payment of the preferred dividend and an equal dividend on the common stock. 1 COOK, CORP., Ed. 6, § 269; *Fidelity Trust Co.* v. *Lehigh Valley R. R.*, 215 Pa. St. 610; 5 THOMP., CORP., Ed. 2, § 5273; *Jones* v. *Railroad*, 67 N. H. 119. This is the position taken by the dissenting judge in the principal case. The majority opinion in the principal case has the support of a decision of the Maryland court. *Scott* v. *Baltimore & Ohio R. R. Co.*, 93 Md. 475. Upon the dissolution of a corporation, and the distribution of its